

December 13, 2023

Wade Crowfoot, Secretary
California Natural Resources Agency
715 P Street, 20th Floor
Sacramento, CA 95814

Dear Secretary Wade Crowfoot,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of Fish and Wildlife submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2023.

Should you have any questions please contact Tony Favro, Deputy Director, Administration, at (916) 241-7901, Anthony.Favro@Wildlife.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Mission of the California Department of Fish and Wildlife (CDFW) is to manage California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological values and for their use and enjoyment by the public.

The CDFW is guided by the Seven Strategic Initiatives listed below:

1. Enhance communications, education, and outreach,
2. Develop statewide land stewardship based upon resource needs,
3. Develop strong water resource management program,
4. Develop/enhance partnerships,
5. Improve regulatory programs,
6. Enhance organizational vitality by focusing on employees and internal systems, and
7. Expand scientific capacity.

The California Fish and Wildlife Strategic Vision is designed to provide the organization with direction and focus to protect the public trust, preserve nature, and make recreation available to the residents of California.

Control Environment

CDFW establishes an effective control environment through strong leadership practices. The California Fish and Wildlife Strategic Vision identifies integrity among its core values. Foundational strategies identified in the Vision include transparent decision making, which develops trust and ensures accountability.

CDFW Leadership models and expects the actions of the Department and its staff to act with integrity in carrying out the mission and operations of the Department while embracing accountability to reinforce these expectations. These expectations are further reinforced

through policies and procedures in the Department Operations Manual, Directors Bulletins, and administrative memos.

The Executive Review Committee (ERC) meets weekly to provide oversight on significant operational decisions. The ERC provides careful review and ensures consistency and appropriateness in decision making to support the Department's strategic initiatives and priorities.

The Department is also connected with the Fish and Game Commission and the Wildlife Conservation Board. Both are individual entities that act independently and work collaboratively with the Department and share similar missions to protect and enhance California's unique biodiversity for all Californians.

The Executive Risk Group (ERG) meets quarterly to discuss risks and controls identified in the SLAA report, as well as any new risks that are identified. ERG acts as an advisory panel for risk mitigation and provides guidance to SLAA workgroups tasked with developing risks and controls identified in the SLAA report.

CDFW's operations are subject to internal review by the Audits Branch (AB). Through internal audits, the AB identifies areas of potential operational risk and makes recommendations to management on mitigating those risks. The AB identifies risk concepts, collects relevant data through the audits, and makes viable recommendations to mitigate the risks. AB follows industry standards provided by the Institute of Internal Auditors that require a minimum level of documentation and analysis to support their conclusions. Recommendations are made based on the findings that address what should have been done by management to mitigate identified risks.

CDFW established the Office of Justice, Equity, Diversity and Inclusion (JEDI) and the JEDI committee as part of a Departmental commitment to fostering an inclusive and diverse work environment. JEDI focuses on Department-wide transparency and accountability in all Departmental processes and projects by facilitating in-depth analysis of existing policies and processes, identifying ways for the Department to address historical context of existing policies or processes, establishing Departmental practices to broaden the Department's community engagement efforts and encourage and support diversity and inclusion of existing and future Department staff. The Office of JEDI will continue to develop trainings and provide resources for Department staff to ensure that equity, inclusion, accessibility, and accountability is centered in all units, programs, and practices.

CDFW maintains an Office of Training and Development (OTD) that provides training reminders, assists managers with identifying required training, and tracks completion of mandated training requirements. OTD will notify both the employee and their supervisor if a scheduled or mandatory training is not completed.

Information and Communication

Communication is a foundational strategy outlined in the Strategic Vision for CDFW. The Director regularly engages with external stakeholders at various meetings and through media releases.

The Executive Leadership team meets weekly, and the Operations Committee meets monthly to address regional and administrative needs across the Department. The entire leadership team (Joint Leadership Team) meets twice a year to dive deeper into issues and challenges, as well as share information. CDFW regularly convenes working groups with appropriate levels of staff and managers, including subject matter experts to evaluate and respond to issues or challenges as they occur.

During the COVID pandemic, CDFW increased communication and maintained transparency with all levels of staff and leadership through regularly scheduled CDFW Director's Live Broadcast meetings. The meetings included communication of established emergency processes and procedures and CDFW accomplishments and challenges throughout the pandemic. With the end of the pandemic and the transition to a hybrid work environment, the Department has renewed focus on the regular meetings described above, including in-person attendance, when and where possible, and it will continue to utilize Live Broadcast Meetings as necessary.

The Department has engaged employees and External Stakeholders in the Service Based Budget (SBB) process and continues to share the progress and outcomes. SBB is intended to increase the Department's transparency regarding how its resources are utilized toward meeting the mission of the Department and measures the gap between the current service levels and mission level of service. The SBB process has been operationalized in the Department and is designed to inform priorities and align decision making with the Department's mission and goals, while ensuring transparency with our stakeholders.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Department of Fish and Wildlife monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Chad Dibble, Deputy Director, Wildlife and Fisheries Division .

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Department of Fish and Wildlife monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Chad Dibble, Deputy Director, Ecosystem Conservation Division.

The CDFW Executive Risk Group (ERG) has performed a key role in ensuring the effectiveness of internal control systems. The ERG acts as an ongoing monitoring advisory group with representatives from across the Department and is facilitated by the Risk and Operations Management Unit (ROM) and the Executive Monitoring Sponsor. During the 2021-2023 period, the ERG met on a quarterly basis. Throughout the two-year period, ROM contacted each unit

monitor for updates and to track significant changes to controls, implementation delays, or challenges in implementation. Unit monitors also used the ERG meetings to provide input, gather assistance in the development and implementation of controls, and report progress throughout the two-year period. The ROM provided monthly updates to the Executive Monitoring Sponsor regarding SLAA control monitoring actions and risk-related efforts. ROM tracks any identified risks in the two-year cycle to monitor progress and for consideration in future SLAA reports.

Additionally, CDFW has various controls in place to facilitate consistent monitoring and oversight of our operations and to mitigate risks. This includes multi-phase/level approval processes to ensure appropriateness of requests and actions, and persons of appropriate level of responsibility who authorize the request or action. Monitoring and oversight is further supported through documented procedures, including reconciliation, which highlight inconsistencies or errors resulting in a more critical review.

CDFW will continue to evaluate its internal control systems for improvement during the 2023-2025 SLAA cycle, with an emphasis on establishing and tracking key indicators, engagement with appropriate review processes, and comparing results with expectations. In addition, the Service Based Budget (SBB) process identifies the gaps between the Department's current state of operations and the mission level of operations. The Department is currently operationalizing SBB, and although it was not designed for use as an internal control the process collects data, measures gaps, and yields information which, at a high level, could inform the Department of areas of potential risk and the impact of controls.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of Fish and Wildlife risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, questionnaires, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, potential impact of remediation efforts, tolerance level for the type of risk, and other.

The following personnel were involved in the Department of Fish and Wildlife risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, questionnaires, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, potential impact of remediation efforts, tolerance level for the type of risk, and other.

CDFW began the 2023 risk assessment process with an overview of SLAA's purpose

and requirements, presented by the Department's Risk and Operations Management Unit (ROM) to the Executive Risk Group (ERG). The overview included a summary of risks reported in the 2021 SLAA report and a review of the SLAA process.

The ROM then conducted an electronic survey of senior leadership (Deputy Directors, Regional Managers, and Branch Chiefs) and SLAA Workgroups to gather their input on risks facing the Department. The senior leadership group solicited input from their managers, supervisors, and staff to inform final survey submissions. The ROM presented the SLAA survey results to the senior leadership team for feedback and final risk recommendations.

The ERG met to review and evaluate the items reported as risks in the survey to determine which risks would be included in the SLAA report. The ERG evaluated the risks against criteria, which included the potential to impact CDFW's ability to achieve its mission, the scope of the risk, and available controls to mitigate the risks. ROM also worked with SLAA Workgroups, committees of Subject Matter Experts (SMEs), to create risk statements and develop controls to work towards mitigation or elimination of the risks in the new SLAA cycle.

RISKS AND CONTROLS

Risk: Aging Infrastructure and Deferred Maintenance

CDFW faces significant risks due to its aging infrastructure, repair, and deferred maintenance needs. These issues can endanger the health and safety of both employee and the public. These issues can also lead to insufficient housing for employees who are required to live on site and expose them, as well as the public, to hazards that could cause injury or illness.

Control: Inspections and Identification

CDFW will continue pursuing site inspections via an established contract and with the hire of additional staff in the Engineering branch. Critical health and safety issues will be promptly addressed as they are identified through regional or program communication, maintenance tickets, engineering requests, or as a result of formal inspections.

Control: Repair Work

Repair work opportunities for State owned housing and CDFW properties continue to be identified and prioritized to address the highest need and most critical safety issues. High priority needs will be addressed through public works contracts with collaboration from regions and programs.

Risk: Public Access and Engagement

Continued decline in hunting, angling, and shooting sports participation reduces funding to the Department for law enforcement, research, and other fish and wildlife conservation work.

Control: Marketing and Community Engagement

CDFW continues its efforts to positively engage with the public through improved

marketing and community engagement activities supporting hunting, fishing, foraging, shooting sports and interpretive services. These efforts are part of the R3 (Recruit, Retain, Reactivate) initiative, which has used data to better understand the barriers participants face when attempting to hunt, fish, forage, or participate in other outdoor activities in California.

CDFW plans to continue its efforts to promote outdoor participation in California by evolving marketing practices, removing barriers, enhancing opportunities, and engaging with diverse communities.

Control: Access and Engagement Enhancements

Utilizing data and analyses, CDFW will continue to support Justice, Equity, Diversity and Inclusion (JEDI) efforts to enhance CDFW access and engagement programs, develop and implement regulatory information and promote positive interactions internally and externally with partner agencies and groups, such as other local, state, national partners, agencies and Tribal governments.

Risk: Workforce Planning & Human Resources Staffing

There is a risk that the California Department of Fish and Wildlife will not have enough qualified staff to accomplish our mission or be a competitive employer to recruit qualified candidates and retain and develop future leaders.

Control: Workforce Retention and Leadership Resource Development

The Workforce and Strategic Planning Unit (WSP) will focus on the development and/or expansion of retention strategies including the development of a supplementary new supervisor/manager training focused on CDFW content and resources, an Onboarding SharePoint site, and further development of the Career Development Program (CDP).

Control: Expand HR Talent Acquisition Unit

Expand current staffing of Talent Acquisition Unit (TAU), to better support Departmental recruitment efforts. TAU has temporarily added three limited term staff members to assist and track recruitment efforts, including recruitment fairs and development of recruitment resources to assist with departmental efforts to assist hiring leaders to focus recruitment efforts that align with CDFW goals and missions and identifying the most effective and diverse hiring pools.

Planned projects include the Partnerships and Community Engagement (PACE) program, and internship program development targeting hard to recruit positions.

TAU will focus efforts towards classification review, examining alternate classifications, and collaboration with CalHR to assist with State-wide classification review efforts, specifically for low paying entry-level positions.

Control: Personnel Services Staffing

CDFW's Human Resources Office struggles to staff and retain critical positions in its Personnel Services Branch (PSB) transactions unit, which has the potential to impact pay, benefits, and employee trust throughout the Department. As a result, the branch is working to expand through BCPs for the allocation of additional permanent PY's to better delegate the roster of employees each position works with to create more realistic workloads.

Risk: Zero Emission Vehicle Compliance

The Department is currently projecting incoming electric vehicles over the next five to ten years and is working with the Department of General Services (DGS) to purchase and install electric vehicle (EV) infrastructure accordingly. There is a risk that the Department will not be able to use our electric fleet due to lack of EV infrastructure. Furthermore, California is banning the sales of fuel-based vehicles effective 2035, thus the Department will need infrastructure to charge all electric vehicles after this date.

Control: Infrastructure Planning for Electric Vehicles

Develop five-to-ten-year infrastructure plan for EV. This plan outlines all CDFW sites, the number of electric vehicles per site, and therefore the number of chargers needed per site. The Department reports this plan to the DGS Office of Sustainability (OS) every year via the OS-1 report.

Control: Internal Communication Campaign

The CDFW Business Management Branch will provide ongoing communication of this EV infrastructure plan to CDFW programs. The communication plan will be aimed at regional and executive level leadership to assist with identification of sites that meet regional needs as well as DGS requirements. The communication efforts will include strategic planning with regional representation and development of full plans, with focus on installations and increasing buy-in.

Risk: Disaster Response Readiness

The Department endeavors to improve its overall emergency response approach by establishing the capability to create impromptu and nimble response teams able to provide statewide support, with flexibility to respond to regional critical incidents or support statewide disaster response and recovery efforts while also maintaining essential functions and day-to-day work tasks at impacted locations.

Control: Disaster Preparedness Workgroup

A Disaster Preparedness Workgroup was recently established to address Department-wide readiness, including the creation and training of statewide qualified response teams and the development of environmental best practices guidelines to support incident management and disaster recovery.

CONCLUSION

The Department of Fish and Wildlife strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Charlton Bonham, Director

CC: California Legislature [Senate, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency